

A.G. Contract No. KR-89-0398-TRD
ECS File: IGA 88-07
Project: H2045 01C
Section: Salt River Channel
IGA F20-87051

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA,
THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY
AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT
AND POWER DISTRICT

THIS AGREEMENT (the "Agreement") is entered into 11 OCTOBER, 1989, between the STATE OF ARIZONA, acting by and through its, DEPARTMENT OF TRANSPORTATION (the "STATE"), the FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a municipal corporation and political subdivision of the State of Arizona (the "DISTRICT"), and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district duly organized pursuant to the laws of the State of Arizona ("SRP").

RECITALS

1. The STATE is empowered by Arizona Revised Statutes Sections 11-952 and 28-108 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the STATE.

2. The DISTRICT is empowered by Arizona Revised Statutes Section 48-3603 to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the DISTRICT.

3. SRP is empowered by Arizona Revised Statutes Sections 48-2337 and 48-2338 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of SRP.

NO. <u>14296</u>
FILED WITH SECRETARY OF STATE
Date Filed <u>10-11-89</u>
<u>Jim Shumway</u> Secretary of State
By <u>B. J. Hermillion</u>

4. The STATE, DISTRICT and SRP affirm that channelization of the Salt River from the area of 40th Street eastward to approximately the Southern Pacific Railroad (SPRR) Bridge near Mill Avenue (the "Channel") is desirable to protect the proposed East Papago, Hohokam and Sky Harbor Access roadways from flooding.

5. The STATE is proceeding with the planning, design and construction of the East Papago, Hohokam and Sky Harbor Access roadways all of which cross or are adjacent to the Salt River. The STATE has selected alignments for these roadways that require channelization of the Salt River from the area of 40th Street (Extended) eastward to approximately the SPRR Bridge near Mill Avenue as described on Exhibit "A." The STATE selected these alignments based on commitments from (i) the DISTRICT to maintain the Channel, and (ii) SRP, the City of PHOENIX and the City of TEMPE to grant certain rights of way for Channel and/or roadway construction.

6. Based on geotechnical analysis by the STATE, no known landfill deposits are within the rights of way proposed herein for Channel construction.

7. Pursuant to and as provided in an Entry Agreement dated May 8, 1989, SRP has granted to the STATE the right to enter upon certain lands described therein for the purpose of constructing the Channel.

8. It is understood by all parties that the DISTRICT shall not assume now or in the future any costs for maintenance of any facilities within the Channel rights of way that are not directly related to the flood control function or operation of the Channel. Subject to the provisions of this Agreement, the DISTRICT, in its sole discretion, shall determine what facilities it will be required to maintain when it assumes operation and maintenance of the Channel.

9. Pursuant to design and construction criteria provided to it by the DISTRICT, the STATE prepared preliminary and final plans and specifications for the Channel work and has furnished copies thereof to the DISTRICT and SRP. The DISTRICT and SRP reviewed and commented on the preliminary plans and specifications and reviewed and approved the final plans and specifications.

10. The purposes of this Agreement are (i) to define the responsibilities for design, construction, operation and maintenance of the Channel as between the STATE, the DISTRICT

and SRP, and (ii) to establish adequate rights of way for the Channel and the East Papago, Hohokam and Sky Harbor Access roadways.

11. Additional separate agreements between the STATE, DISTRICT, and the Cities of PHOENIX and TEMPE will further define responsibilities for design, construction, operation and maintenance of other portions of the Channel and provide additional rights of way for the Channel.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

SCOPE OF RESPONSIBILITIES

I. Salt River Channel

A. The STATE shall:

1. Bear the total cost of the Channel design and construction, estimated to be approximately \$23,500,000.

2. Obtain all state, federal or local environmental discharge or other flood and regulatory permits required for the construction of the Channel.

3. Cause the construction and completion of the Channel in accordance with the final plans and specifications as same may be modified by change orders. The STATE shall forward copies of any change orders to the DISTRICT and shall not agree to any change order which could adversely affect drainage onto or off of SRP property.

4. Upon completion of the Channel, grant to the DISTRICT a perpetual easement for drainage in the STATE's right of way through SR 143 and SR 153, and for use of the STATE rights of way for the DISTRICT's maintenance purposes.

5. Be responsible for the operation, maintenance and repair of all state roadways, roadway bridges, superstructures, substructures, wingwalls, and approaches to the bridges that are constructed within STATE rights of way.

B. The DISTRICT shall:

1. Monitor construction of the Channel. The DISTRICT shall inspect and approve the completed facility.

2. At its own cost, operate and maintain the Channel after it is constructed and any easements to be transferred to the DISTRICT pursuant to this Agreement for maintenance purposes have been transferred.

* a. Maintain the Channel in such a manner so as not to endanger the bridges traversing the Channel. If the DISTRICT does not so maintain the Channel, the STATE shall notify the DISTRICT, which shall perform the necessary maintenance within 30 days following such notification. If the DISTRICT fails to perform within such 30-day period, the STATE may perform the necessary maintenance, and the DISTRICT shall promptly reimburse the STATE for actual costs incurred.

b. Not be responsible for operation and maintenance of any landscaping or aesthetic features which may be installed as part of the Channel construction.

c. Reserve the right to approve the design and construction of any future changes to, or improvements on, the Channel.

d. Except in emergency situations, notify SRP at least ninety (90) days prior to implementation of any proposed changes or improvements to the Channel which could adversely affect drainage onto or off of SRP property. If SRP submits notice of any concerns in respect of such proposed changes within thirty (30) days after receipt of such notice, the parties hereto shall attempt in good faith to resolve promptly and to their mutual satisfaction the noted concerns.

C. SRP shall:

1. Upon completion of Channel construction within SRP fee-owned land between Priest Road and Mill Avenue, grant to the DISTRICT, at no cost, a perpetual and assignable easement over such land to operate and maintain the Channel and to occasionally overflow, flood and submerge such lands within the banks of the Channel and all future improvements thereon, if any. The land subject to said easement shall not exceed a total of 55 acres and is indicated by the "slant-lined" area on Exhibit "B" attached hereto and made a part hereof.

2. Not permit any mining or excavation to occur in or adjacent to the Channel without receiving the DISTRICT's written concurrence.

3. Not be responsible for construction, maintenance or operation of the Channel. The parties agree that responsibility for the construction, maintenance and operation of the Channel shall be as set forth herein and in separate agreements between the DISTRICT, STATE and the City of TEMPE, and City of PHOENIX.

II. East Papago Freeway, Hohokam and Sky Harbor Access Roads

A. The STATE shall:

1. At its sole expense, design and construct the East Papago Freeway to include a half-diamond interchange at Hardy Drive, a full-diamond interchange at Priest Road and a collector-distributor roadway system between Priest Road and Hardy Drive.

* 2. At its sole expense construct, operate and maintain the state roadways, bridges, superstructures, substructures, wingwalls and bridge approaches associated with the East Papago, Hohokam and Sky Harbor Access roadways.

3. Convey to SRP fee title to the land described on Exhibit "C" attached hereto and made a part hereof (the "Land"), in exchange for SRP conveying to the STATE fee title to that certain portion of the right of way included in the "dotted" area shown on Exhibit "B" attached hereto and made a part hereof which the parties hereto agree is of equal value to the Land and necessary for construction of the East Papago Freeway between Priest Road and Mill Avenue.

B. SRP shall:

1. As required by construction of the East Papago Freeway, associated roadways and Channel, and at its sole expense, relocate that portion of the SRP-operated Grand Canal facility located between Priest Road and Mill Avenue and within the rights of way proposed.

2. Grant and convey to the STATE, by separate quit claim deed, fee title to that certain portion of the right of way necessary for the construction, operation and maintenance of the East Papago Freeway included in the "dotted" area shown on Exhibit "B" and not conveyed in exchange for the Land. Said right of way is situated between Priest Road and Mill Avenue and shall not exceed a total of 69 acres.

3. Convey to the STATE fee title to the right of way described in Section II(A)(3) above and which is required for construction of the East Papago Freeway between Priest Road and Mill Avenue, in exchange for the STATE conveying to SRP fee title to the Land.

4. Notwithstanding anything in this Agreement to the contrary, the rights of way described in §§II(B)(2) and II(B)(3) hereof shall be conveyed by SRP to the STATE by instruments expressly reserving to SRP right of way easements in, upon, over, under and across such lands to relocate, erect, construct, replace, repair, operate, maintain and use existing gas lines, irrigation lines and overhead power transmission lines owned and/or operated by SRP. Nothing contained in this §II(B)(4) shall be construed to affect the obligation by the STATE to relocate such lines pursuant to that letter from the STATE to SRP, dated August 17, 1989.

MISCELLANEOUS PROVISIONS

A. The DISTRICT agrees to indemnify and save harmless the STATE and SRP or any of their departments, agencies, officers, directors or employees from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the DISTRICT of any of its obligations under this Agreement. The DISTRICT shall indemnify and save harmless the STATE and SRP in all instances against all liability, losses and damages of any nature for or on account of any injuries to, or death of persons, or damages to or destruction of property arising out of, or in any way connected with the DISTRICT's performance or non-performance of its obligations under this Agreement, except as otherwise provided herein or to the extent such injury or damage shall have been occasioned by the negligence of the STATE or SRP. The above cost of damages incurred by the STATE or SRP or any of their departments, agencies, officers, directors, governors or employees shall include, in the event of an action, court costs, expenses for litigation and reasonable attorney's fees.

B. The STATE agrees to indemnify and save harmless the DISTRICT and SRP or any of their departments, agencies, officers, directors, governors or employees from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the STATE of any of its obligations under this Agreement. The STATE shall indemnify and save harmless the DISTRICT and SRP in all instances against all liability, losses and damages of any

nature for or on account of any injuries to, or death of persons, or damages to or destruction of property arising out of or in any way connected with the STATE's performance or non-performance of its obligations under this Agreement, except as otherwise provided herein or to the extent such injury or damage shall have been occasioned by the negligence of the DISTRICT or SRP. The above cost of damages incurred by the DISTRICT or SRP or any of their departments, agencies, officers, directors or employees shall include, in the event of an action, court costs, expenses for litigation and reasonable attorney's fees.

C. SRP agrees to indemnify and save harmless the DISTRICT and the STATE or any of their departments, agencies, officers, directors or employees from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by SRP of any of its obligations under this Agreement. SRP shall indemnify and save harmless the DISTRICT and the STATE in all instances against all liability, losses and damages of any nature for or on account of any injuries to, or death of persons, or damages to or destruction of property arising out of or in any way connected with SRP's performance or non-performance of its obligations under this Agreement, except as otherwise provided herein or to the extent such injury or damage shall have been occasioned by the negligence of the DISTRICT or the STATE. The above cost of damages incurred by the DISTRICT or the STATE or any of their departments, agencies, officers, directors or employees shall include, in the event of an action, court costs, expenses for litigation and reasonable attorney's fees.

D. This Agreement shall remain in force and effect, unless modified or terminated by written agreement of all parties, as long as the roadways described herein are part of the State Highway System.

E. This Agreement shall become effective upon filing with the Secretary of State.

F. This Agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.

G. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.

H. In the event of any controversy which may arise out of this Agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518(B) and (C).

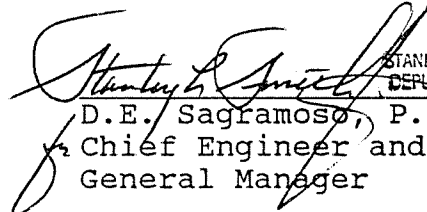
I. Attached hereto and incorporated herein is a copy of the written determination of each party's legal counsel that the party represented thereby is authorized under the laws of this state to enter into this Agreement and that, as regarding such party, the Agreement is in proper form.

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IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

FLOOD CONTROL DISTRICT OF
MARICOPA COUNTY

RECOMMENDED BY:

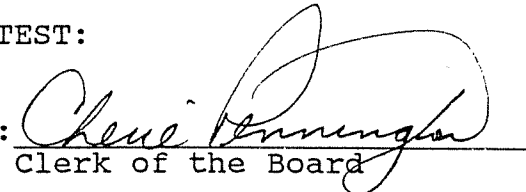
 STANLEY L. SMITH JR., P.E.
DEPUTY CHIEF ENGINEER
D.E. Sagramoso, P.E.
Chief Engineer and
General Manager

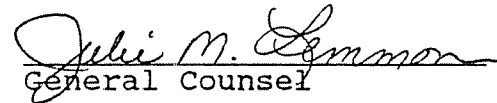
Date 9-14-89

APPROVED AND ACCEPTED:

By: 
Chairman, Board of Directors

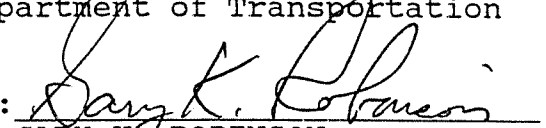
ATTEST:

By: 
Clerk of the Board

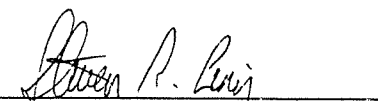

General Counsel

Date OCT 2 1989

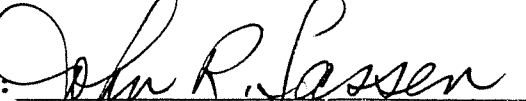
STATE OF ARIZONA
Department of Transportation

By: 
GARY K. ROBINSON
Chief Deputy State Engineer

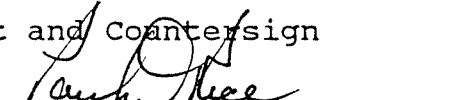
Approved as to form:

By: 
Steven R. Linn
Attorney, Law Department

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

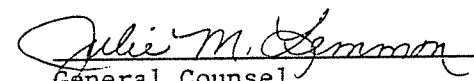
By: 
Its President

Attest and Countersign

By: 
Its Secretary

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

This Intergovernmental Agreement for the Salt River Channel with the State of Arizona and the Salt River Project has been reviewed pursuant to Arizona Revised Statutes 11-952, as amended, by the undersigned General Counsel, who has determined that it is in proper form and within the powers and authority granted to the Flood Control District of Maricopa County under the laws of the State of Arizona.

 9/15/89
General Counsel Date

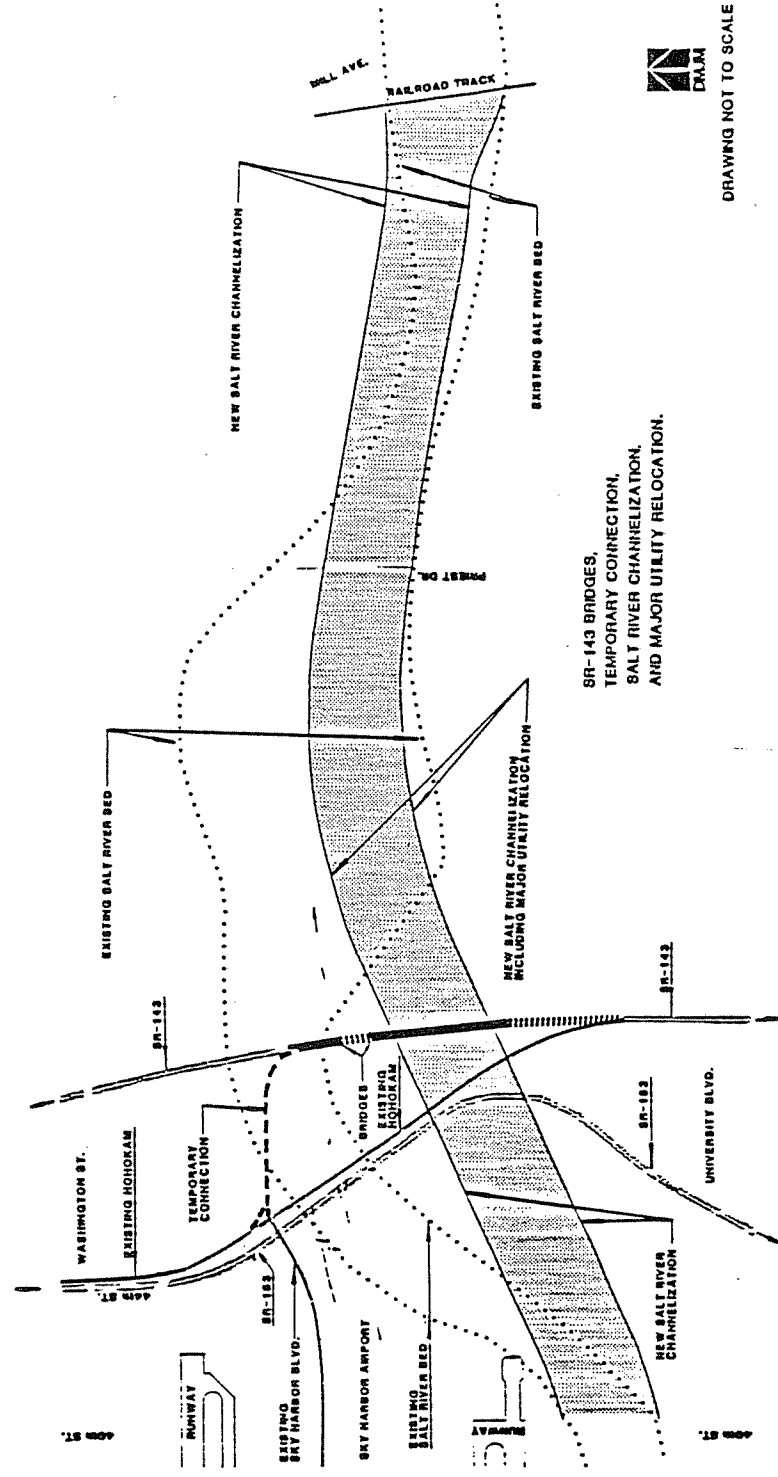
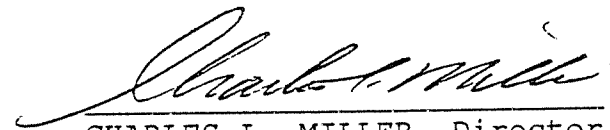


EXHIBIT A

RESOLUTION

BE IT RESOLVED on this 4th day of January 1989, that I, CHARLES L. MILLER, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Highways Division, to enter into an agreement with the Flood Control District of Maricopa County and the Salt River Project Agricultural Improvement and Power District for the purpose of the channelization of the Salt River.

THEREFORE, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted for approval and execution by the Chief Deputy State Engineer.


CHARLES L. MILLER, Director
Arizona Department of
Transportation

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88-07

MINUTES
BOARD OF DIRECTORS
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

August 7, 1989

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (District) and filed with the Secretary, the Board of Directors met at 9:30 a.m. on Monday, August 7, 1989, in the Board Room at the Project Administration Building, 1521 Project Drive, Tempe, Arizona.

The meeting was called to order by President Lassen. The call for the meeting was presented and ordered entered into the minutes as follows:

Tempe, Arizona
July 31, 1989

NOTICE OF SPECIAL MEETING

I, John R. Lassen, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District, do hereby order a special meeting of the Board of Directors to convene at 9:30 a.m. on Monday, August 7, 1989. The meeting will be held in the Board Room at the Project Administration Building, 1521 Project Drive, Tempe, Arizona. The purpose of the meeting is to present the Audit Committee Report and to transact such other matters as may be brought before the Board concerning the operation of the District.

WITNESS my hand this 31st day of July, 1989.

/s/ John R. Lassen
John R. Lassen, President

The invocation was offered by Director Arnett.

Pledge of Allegiance was led by Secretary Rice.

Present at roll call were: President Lassen; Vice President Boulais; Directors Arnett, Ash, Brooks, Dobson, Johnson, Neely, Pendergast, Jr., Rogers, Rudd, Schrader, Sharp, and Williams, Jr.

Absent: Directors Burton, Jr. and Hurley.

Others present: Council Chairman Weiler; Councilman Diller; Staff members Mmes. Ellis and Mitchell; Messrs. Conly, Crittenden, Davis, Elder, Emerson, Estes, McNamara, O'Neal, Pfister, Rappoport, Rice, Silverman, Don Smith and Wasser.

Visitors present: Mr. Schwartz of The Arizona Republic, State Senator Gillespie, Meryl Gillespie, Jack and Arlene Weston, Cecil and Edith Eaton, J. P. Forrest, M. Dubrey, Frank and Patt Nattrass, Jim and Nettie Nicholson, Ron Nicholson, and Hank and Debbie Luedy.

Secretary Rice stated that, in compliance with Arizona Revised Statutes 38-431, the meeting notice, including notice of Executive Session, was duly posted at the Salt River Project Administration Building, 1521 Project Drive, Tempe, Arizona, at 4:00 p.m. on Thursday, August 3, 1989, by Terry Lonon of the Secretary's Office.

Approval of Minutes for Meeting of July 10, 1989

On a motion duly made by Director Brooks, seconded by Director Williams, Jr. and carried, the minutes for the meeting of July 10, 1989 were approved.

Report of Power Committee Meeting of July 20, 1989

Director Arnett, Chairman of the Power Committee, reported that the Committee had met on July 20, 1989, and continued with the following items:

Thunderstone to Superstition
69kV Transmission Line

Director Arnett briefly reviewed the background of the proposed Thunderstone to Superstition 69kV transmission line in the vicinity of McLellan and Ellsworth Roads. He reported that representatives of the neighborhood along McLellan Road had made presentations at the Power Committee meeting, stating their opposition to the proposed route and requesting alternatives.

Mr. Emerson, using an aerial map of the location involved, reviewed the District's proposed line route along McClellan Road, east of Ellsworth Road; the District's right-of-way; and the substation sites to be served. He discussed routing options as suggested by the neighborhood group and the associated incremental costs, as well as undergrounding a portion of existing 12kV distribution line.

Mr. Emerson explained that the District's current proposed alignment is on the north side of McClellan Road. The segment being contested runs from Ellsworth Road eastward, approximately one-half mile. The estimated cost for this segment, as proposed, is approximately \$109,000. To reroute the line to the south side of McClellan Road and underbuild an existing 12kV distribution line would add approximately \$65,000 to the cost.

Mr. Emerson stated that the neighborhood group's proposed alternate would reroute the line south along the east side of Ellsworth Road to Brown Road, approximately one-half mile, then

along the south side of an existing flood control channel in a northeasterly direction to join the current alignment beyond the property in question. The approximate additional cost would be \$191,000.

Mr. Emerson reported that an additional alternate would route the line south along the east side of Ellsworth Road to Princess Drive, approximately one-quarter mile, then east along the Princess Drive alignment to the flood control channel, then northeasterly along the flood control channel to rejoin the current alignment beyond the property in question. The approximate additional cost of this alternate would be \$150,000.

He explained that the two alternates did not include right-of-way acquisition costs or delays.

Mr. Emerson concluded by stating that management's position is to maintain the current alignment and underground the existing 12kV distribution service line on the south side of McClellan Road, from Ellsworth Road eastward approximately 2,000 feet, which would eliminate having two lines running parallel above ground.

Senator Gillespie, speaking on behalf of the neighborhood group, stated that it is important for a company the size of the District to be concerned about and demonstrate fairness and equity for its customers.

Mr. Nattrass, representing the neighborhood group, distributed copies of his letter to President Lassen in response to President Lassen's letter of July 26, 1989, and proceeded to discuss the reasons why the group objected to the proposed routing; i.e., ruining the aesthetics of the area; health concerns for the people living in the area due to electromagnetic fields created by transmission lines; and a decrease in property values in the area.

Mr. Pfister discussed the District's policy of notifying homeowners when electrical facilities are to be constructed in their neighborhood. He stated it was regrettable that, in this instance, there was no pre-construction notice to the surrounding neighborhood.

Mr. Pfister reviewed the District's process for siting substations and the reasons why the 69kV line was located along McLellan Road. He concluded by stating that numerous studies concerning electromagnetic fields have proven inconclusive, and there is no evidence that they have an impact on health.

Director Arnett reported that, on four different occasions, he had personally visited the area in question, and it was the Power Committee's consensus that there would be less overall impact to the neighborhood by using the route as determined by management.

Director Arnett concluded by stating that, after reviewing all of the facts presented, the Power Committee took no formal action to modify management's original plan to construct the 69kV line on the north side of McLellan Road, east of Ellsworth; and its consensus opinion supported undergrounding approximately 2,000 feet of 12kV distribution service line on the south side of McLellan Road and converting approximately seven residences' meter loops to accept underground service, at the owner's discretion.

Following discussion, the Board took no formal action to modify management's plan.

Copies of the map of the proposed route, Mr. Nattrass' letter, and President Lassen's letter are on file in the Secretary's office and, by reference, are made a part of these minutes.

Ms. Ellis; Messrs. Davis, Elder, Emerson and Rappoport; Senator Gillespie; Meryl Gillespie; Jack and Arlene Weston; Cecil and Edith Eaton; J. P. Forrest; M. Dubrey; Frank and Patt Nattrass; Jim and Nettie Nicholson; Ron Nicholson; and Hank and Debbie Luedy left the meeting.

Mr. Delgado entered the meeting.

Amendments to Natural Gas Sales Agreements
for Santan and Valley Plants

Director Arnett reviewed the details of a request to execute amendments to the Santan and Agua Fria/Kyrene/Crosscut Gas Sales Agreements between El Paso Natural Gas (EPNG) and the District.

He reported that the amendments would replace the pricing provisions in the existing agreements for a six-month period ending September 30, 1989, and would enable the District to buy gas from EPNG at prices comparable to those available in the spot market. The existing pricing provisions would be reinstated at the end of the six-month period.

Director Arnett concluded by stating that the Power Committee recommends that the President or Vice President and Secretary or Assistant Secretary be authorized to execute the amendments to the Gas Sales Agreements, which will result in operational flexibilities and fuel cost savings.

On a motion duly made by Director Arnett, seconded by Director Ash and carried, the Board granted approval, as recommended by the Power Committee.

Letter Agreements Related to Possible Future
Abandonment of West Phoenix Natural Gas Line

Director Arnett reviewed the details of a request to ratify letter agreements between the District, El Paso Natural Gas Co.

(EPNG), and Southwest Gas Company (SWG) to protect existing access rights to deliver natural gas to the Agua Fria Generating Station through 1997; and to authorize the Manager of Resource Planning or the Supervisor of Fuels to administer the agreements and to execute any documents required to finalize the actions contemplated therein.

Director Arnett reported that, in early 1989, EPNG informed the District that it was negotiating with SWG to sell portions of the EPNG pipeline system, including the portion that serves the Agua Fria Generating Station. He stated that the sale of the pipeline would require FERC approval through an abandonment process. EPNG and SWG had sought the District's agreement to the abandonment, so that its efforts before the FERC would be minimized.

Director Arnett stated that extensive negotiations have been held between the District, EPNG and SWG, resulting in the District reaching an agreement with EPNG and a long-term agreement with SWG. He stated that the agreement with EPNG provides that EPNG and SWG will enter into an agreement, so that the District will see no increased cost for the gas received at Agua Fria resulting from sale of the facilities. The agreement between the District and SWG provides that the District may use up to 92,900 million cubic feet per day of capacity in the pipeline that serves Agua Fria, free of charge through 1997, and at an annual charge each year thereafter for a total of 30 years.

Director Arnett concluded by stating that the Power Committee recommends ratification of the agreements, as presented, and authorization for the Manager of Resource Planning or the Supervisor of Fuels to administer the agreements and to execute any documents required to finalize the actions contemplated therein.

On a motion duly made by Director Arnett, seconded by Director Brooks and carried, the Board granted approval, as recommended by the Power Committee.

Assignment of Natural Gas Transportation
Service Agreement from Meridian Oil Hydrocarbons

Director Arnett reviewed a request to authorize the Manager of Resource Planning or the Supervisor of Fuels to execute the agreement and assignment of the reformed Gas Transportation Service Agreement from Meridian Oil Hydrocarbons, and to administer the agreements and execute amendments as they may arise.

Director Arnett reviewed the background of an agreement between El Paso Natural Gas Co. (EPNG) and Meridian Oil Hydrocarbons (Meridian) to transport gas on behalf of the District. He further reviewed an agreement between the District and Meridian, which had been entered into with the understanding that, if and when EPNG accepted FERC blanket certificate authorization, the

Gas Transportation Service Agreement would be assigned to the District.

Director Arnett reported that EPNG has now accepted the blanket certificate, and an assignment agreement has been drafted to transfer the Gas Transportation Service Agreement from Meridian to the District, allowing the District to transport gas through the EPNG system on its own behalf. When all of the necessary regulatory approvals have been received, the assignments will take effect and the reformed agreement will be in full force and effect.

He concluded by stating that the assignments will result in a \$.02 per decatherm reduction in fuel costs for gas transported; therefore, the Power Committee recommends authorization for the Manager of Resource Planning or the Supervisor of Fuels to execute the agreement and assignment of the reformed Gas Transportation Service Agreement from Meridian Oil Hydrocarbons, and to administer the agreements and execute amendments as they may arise.

On a motion duly made by Director Arnett, seconded by Director Ash and carried, the Board granted approval, as recommended by the Power Committee.

Summer 1989 Loads and Resources

Director Arnett stated that this item would be discussed in the General Manager's report.

Messrs. Hulse and Darrell Smith entered the meeting.

Roosevelt Diversion Dam Modification

Secretary Rice requested approval for the District to enter into an agreement with the Salt River Valley Water Users' Association (Association), the United States Bureau of Reclamation (USBR), the Arizona Game and Fish Department (AGFD), and the United States Fish and Wildlife Service (USFWS) to modify Roosevelt Diversion Dam and transfer interests in the dam to the USBR, AGFD and USFWS, thereby relieving the District of any obligations, liability or responsibilities for the dam.

He stated that the Association Board, at its July 10, 1989 meeting, had approved the agreement and awarded a construction contract to Hensler to make the necessary modifications; therefore, District approval was requested.

On a motion duly made by Director Williams, Jr., seconded by Director Neely and carried, approval was granted, as requested.

Central Arizona Project/Salt River Project
(CAP/SRP) Interconnection Facility

Secretary Rice requested approval for the District to enter into an agreement with the Salt River Valley Water Users' Association (Association); the cities of Phoenix, Tempe, Scottsdale, Glendale, Mesa, Chandler and Peoria; and the Town of Gilbert for construction and operation of the CAP/SRP Interconnection Facility, as well as approval to award a contract to Westbrook Construction, Inc. for construction of the facility.

He stated that the Association Board, at its July 10, 1989 meeting, had approved the agreement and awarded a construction contract to Westbrook Construction, Inc.; therefore, District approval was requested.

On a motion duly made by Director Williams, Jr., seconded by Director Neely and carried, approval was granted, as requested.

Report of Audit Committee Meeting of August 3, 1989

Director Brooks, Chairman of the Audit Committee, reported that the Audit Committee had met on August 3, 1989 and continued with the following items:

Approval of Warrants

On a motion duly made by Director Brooks, seconded by Director Schrader and carried, the "Statement of Warrants Issued and Paid for June, 1989" was approved.

A copy of the "Statement of Warrants Issued and Paid for June, 1989" is on file in the Secretary's Office and, by reference, is made a part of these minutes.

Approval of Invoices

A distributed copy of the warrants listed for payment on and after August 7, 1989 was reviewed. On a motion duly made by Director Brooks, seconded by Director Schrader and carried, the following resolution was adopted:

RESOLUTION

RESOLVED, that the Board hereby approves payment of the list of warrants dated July 25, 1989, for issuance on and after August 7, 1989.

A copy of the list of warrants is on file in the Secretary's Office and, by reference, is made a part of these minutes.

Approval of Cash Statement

On a motion duly made by Director Brooks, seconded by Director Schrader and carried, the Cash Statement for the month of June, 1989 was approved.

A copy of the "Statement of Cash Received and Disbursed," as contained in the Monthly Operating and Financial Report, is on file in the Secretary's Office and, by reference, is made a part of these minutes.

Finance Presentation

Mr. Conly, using overhead transparencies, reviewed the District's "Statement of Net Revenues" for June, 1989 and highlights of operations year-to-date, as summarized in the Management Information Report.

Copies of the overhead transparencies used in the above presentation and a copy of the Management Information Report are on file in the Secretary's Office and, by reference, are made a part of these minutes.

Messrs. Conly, Hulet, Smith and Wasser left the meeting.

Report of Insurance and Claims Committee
Meeting of August 1, 1989

Director Rogers, Chairman of the Insurance and Claims Committee, reported that the Committee had met on August 1, 1989 to review the "Report of Damage Claims Paid" for the period of May 11, 1989 through July 7, 1989, which covers damage claims paid by the Claims Division under authority granted by Board resolution on January 5, 1976. He stated that the Committee had reviewed the report and found it acceptable.

A copy of the "Report of Damage Claims Paid" is on file in the Secretary's Office and, by reference, is made a part of these minutes.

Report of Transportation Committee
Meeting of August 3, 1989

Director Johnson, Chairman of the Transportation Committee, reported that the Committee had met on August 3, 1989 to review various equipment items. He stated that the Committee recommends award of equipment to the lowest evaluated bidders meeting specifications, as follows:

Valley:

Specification No. 407001A	(2) Six Yard Dump Trucks
Westrux/Western Truck Equipment.	\$75,174.68

Specification No. 6823 (1) Air Compressor
Ingersol Rand Equipment Sales. \$9,209.00

Specification No. 7693 (1) Tractor/Loader and Backhoe
Arizona Industrial Machinery. \$44,319.64

Coronado Generating Station:

Specification No. CGS 607 (1) Rubber Tired Backhoe/Loader
Case Power and Equipment. \$37,771.00

On a motion duly made by Director Johnson, seconded by Director Pendgerast, Jr. and carried, the Board granted approval, as recommended by the Transportation Committee.

Review List of Purchase Orders and Revisions Over \$25,000

Director Brooks, Chairman of the Audit Committee, reviewed a report submitted by the Manager of Supply regarding purchase orders and revisions issued during the period of June 16, 1989 through July 14, 1989, under authority granted by the Board on March 3, 1975 and supplemented August 7, 1978 and June 2, 1986.

A copy of this report is on file in the Secretary's Office and, by reference, is made a part of these minutes.

General Manager's Report

Palo Verde Nuclear Generating Station

Mr. Pfister reported that Units 1 and 3 continue in their respective refueling outages. Both units are scheduled for start-up in September.

He reported that Unit 2 has been operating at 100% capacity, except for a two-day outage caused when the Unit tripped on Friday, August 4. The Unit was back on-line Sunday, August 6, and is now running satisfactorily.

Salt River Project's Organizational
Assessment and Renewal (SOAR) -
Voluntary Severance Plan

Mr. Pfister reviewed the SOAR implementation process concerning employee participation in the Voluntary Severance Plan (VSP), Salt River Project's enhanced severage package.

He stated that the VSPs were offered in three steps. The initial offering of the VSP to 142 full-time salaried employees has been completed, with 131 employees accepting the offer and 11 declining.

Mr. Pfister reported that the second step identified 356 salaried employees adversely impacted by job changes resulting from SOAR

recommendations. Of the 356 employees, 22 employees filled positions in departments with available jobs. He stated that 334 employees had been offered the VSP, with 289 employees accepting.

Continuing, he reported that the third step identified hourly employees eligible to participate in the Hourly Voluntary Severance Plan (HVSP), as approved by Local 266 of the International Brotherhood of Electrical Workers. He stated that 373 hourly employees had been offered the HVSP. At this time, only 205 employees have responded, with 177 employees accepting the package and 28 declining. The deadline for eligible hourly employees to accept the package is August 15, 1989.

Ms. Trimble and Mr. Hulet entered the meeting.

Power Systems

Using overhead transparencies, Mr. Pfister reviewed this summer's power reserves and purchases, relating the effects of the outages at Palo Verde Nuclear Generating Station. He stated that the figures shown were based on a projected peak of 3,177 megawatts (MW). However, actual peak has exceeded the forecasted 3,177 MW three times, with a peak of 3,285 MW occurring on July 19.

Mr. Pfister continued with a review of projected peak loads and actual loads to date. He reported that the peak of 3,285 MW exceeded 1990's projected peak of 3,248 MW. He concluded by discussing the resources being used, including spot purchases, to meet the power demands.

Mr. John Driggs and Messrs. Howlett and Darrell Smith entered the meeting.

Contribution to Arizona State University (ASU) - College of Law

Mr. Pfister introduced Mr. John Driggs, co-chairman of the fund-raising effort for a new College of Law library at ASU.

Mr. Driggs reviewed efforts to raise funds toward a \$9 million capital campaign for the construction of a new law library. He stated that the current library is 20 years old and inadequate in size, design and equipment.

Mr. Driggs reported that construction of the new law library will be financed through \$7 million in public funding and \$2 million in private funding. He indicated that \$700,000 has been pledged, and the fund-raising committee is attempting to create broad community support in order to raise the necessary \$2 million from the private sector.

Following discussion and on a motion duly made by Director Johnson, seconded by Director Neely, the Board approved a

contribution of \$20,000, payable over two years, beginning in September, 1989.

Directors Ash and Brooks voted "no".

Additional Item - Service Award

Mr. Pfister presented a five-year service award to C. A. Howlett, Assistant General Manager-Customer Services and Marketing Group.

The meeting recessed for lunch at 12:05 p.m. and reconvened at 12:54 p.m. with the same members present, except Director Dobson. Also present were Council Chairman Weiler and Councilman Diller; Ms. Trimble; and Messrs. Delgado, O'Neal, Pfister, Rice, Silverman, Darrell Smith, Don Smith, and Swartz.

Executive Session

On a motion duly made by Director Ash, seconded by Director Arnett and carried, President Lassen called for an Executive Session at 12:55 p.m. to discuss matters authorized under the provisions of A.R.S. 38-431.03 A.3., A.4. and A.7.

The meeting reconvened into Open Session at 2:28 p.m. with the same members and others present.

Report of Land and Building Committee
Meeting of August 1, 1989

Extension of 53rd and Washington Streets
Business Office Lease

Director Ash, Vice Chairman of the Land and Building Committee, stated that the Committee recommends approval for the President or Vice President and the Secretary or Assistant Secretary to enter into an extension of the Washington Street Business Park lease, for a term of four years, at \$9 per square foot, triple net, with three 1-year options adjusted each year by the consumer price index, subject to the District acquiring suitable parking facilities and a roadway for safe ingress and egress.

On a motion duly made by Director Ash, seconded by Director Neely and carried, the Board granted approval, as recommended by the Land and Building Committee.

Salt River Project/Arizona Department of
Transportation (ADOT) Right-of-Way Exchange

Director Ash, Vice Chairman of the Land and Building Committee, reported that negotiations with ADOT led to an exchange, whereby ADOT would receive right-of-way access for the East Papago Freeway and channel construction in exchange for freeway facilities and increased developable acreage. He stated that the Cities of Tempe and Phoenix have approved Intergovernmental

Agreements providing the necessary rights-of-way under their control.

Director Ash stated that the benefits to the District include additional developable property, an additional interchange at Hardy Drive directly serving the Papago Park Center, and a benefit cost ratio estimated at 1.2. He concluded by stating that the Land and Building Committee recommends approval for the President or Vice President and the Secretary or Assistant Secretary to enter into an Intergovernmental Agreement with ADOT and the Maricopa County Flood Control District for an exchange regarding right-of-way in Papago Park Center for the East Papago Freeway.

On a motion duly made by Director Ash, seconded by Director Neely and carried, the Board granted approval, as recommended by the Land and Building Committee.

There being no further business, the meeting adjourned at 2:30 p.m.

Paul D. Rice
Secretary

USER: BOBO BILLING: LACES - COORDINATE GEOMETRY REV 6.1.1

2 START OF JOB

1 1 1

FIGURE AREA 880

COORDINATE AREA 3447

19 POINTS INTERSECT

1 3005 3006 3008 3007

** WARNING **

POINT 1 CHANGED

PREVIOUS VALUE OF POINT 1 WAS: 886040.5618 492084.5822

1 886684.4109 490430.0059

19 POINTS INTERSECT

2 517 559 3198 3199

** WARNING **

POINT 2 CHANGED

PREVIOUS VALUE OF POINT 2 WAS: 886046.7709 492008.9750

2 886040.5618 492084.5822

22 ARC LINE POINTS

3 1497 D 1497 1515 3198 3199 3199

** WARNING **

POINT 3 CHANGED

PREVIOUS VALUE OF POINT 3 WAS: 886064.7277 491790.3165

3 886046.7709 492008.9750

22 ARC LINE POINTS

4 1497 D 1497 1517 3198 3199 3199

** WARNING **

POINT 4 CHANGED

PREVIOUS VALUE OF POINT 4 WAS: 886092.7430 496652.6172

4 886064.7277 491790.3165

26 AREA

(3249 3271 3001 3002 3003 3004 3005 1 3008 3014 1512 1516

C1497R 4 3198 3208 3249)

AREA= 2882453.483 SQ. FT. = 66.17202669 ACRES

NEW R/W FROM WEST SEC. LINE (9) TO S.P.R.R.
DOES NOT EXCLUDE PRIEST RD.

26 AREA

(3013 3197 1158 1157 2 3 C1497L 1514 3013)

AREA= 97594.274 SQ. FT. = 2.24045625 ACRES

NEW R/W AREA BETWEEN
S.P.R.R. & MILL AVE.

26 AREA

(424 541 3249 3208 3198 4 C1497R 1517 1518 1524 624)

AREA= 2388138.649 SQ. FT. = 54.82411759 ACRES

T.C.E. AREA FOR CHANNEL

3 END OF JOB

FIGURE AREA 880

COORDINATE AREA 3447

JOB 1

1 COMPLETED

0 ERRORS

4 END OF RUN

LEGAL DESCRIPTION OF
UNION ROCK AND MATERIALS CORPORATION PARCEL
(WITHIN SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY)

(PARCEL C)

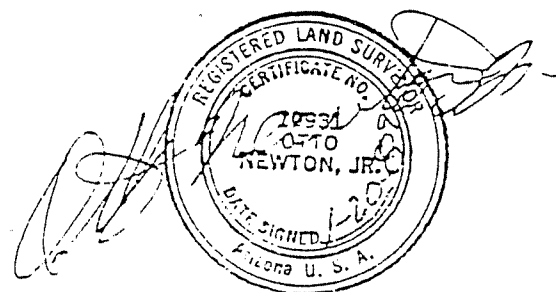
A certain parcel of land located in Section Eight (8), Township One (1) North, Range Four (4) East, Gila and Salt River Base and Meridian, Maricopa County, State of Arizona.

BEGINNING at the southeast section corner of Section Eight (8), Township One (1) North, Range Four (4) East. Thence, North $01^{\circ} 05' 17''$ East along the East section line of the southeast quarter of said Section Eight (8) at a distance of 1,387.54 feet to a point; said point being on the westerly right-of-way line of the Southern Pacific Railroad and said point being the TRUE POINT OF BEGINNING:

1. Thence, N $53^{\circ} 29' 54''$ W along said right-of-way of said Railroad, at a distance of 38.76 feet to a point on a non-tangent curve to the left; said curve from said point having a bearing to the radius of S $35^{\circ} 09' 57''$ W, a central angle of $07^{\circ} 32' 08''$ and a radius of 1,409.47 feet.
2. Thence, along the arc of said curve of said right-of-way of said railroad at a distance of 185.37 feet to a point on a non-tangent curve of 1,482.47 foot radius, concave to the Northeast, and whose radius bears N $15^{\circ} 15' 52''$ E from said point; and said point being on the existing southerly right-of-way line of the Southern Pacific Railroad per right-of-way and track map (mainline) of the Southern Pacific Company, map number V-21-12.
3. Thence, southeasterly along said curve through a central angle of $07^{\circ} 31' 52''$ an arc distance of 194.86 feet to a point on the East section line of said Southeast quarter of said Section Eight (8).
4. Thence, S $01^{\circ} 05' 17''$ W, along said section line of said Section Eight (8), at a distance of 80.76 feet to the POINT OF BEGINNING.

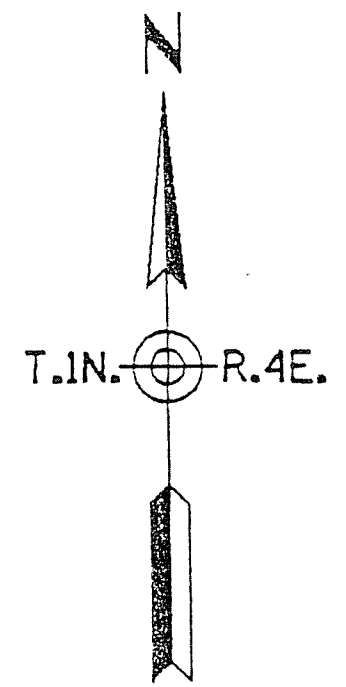
The above described parcel of land contains 6,622.1 net square feet or 0.1520 net acres, more or less.

Signed: *Otto Newton, Jr.* 20 Nov. 1989
Otto Newton, Jr. R.L.S. #10931 Date



S.89°46'15"E. 2627.37'

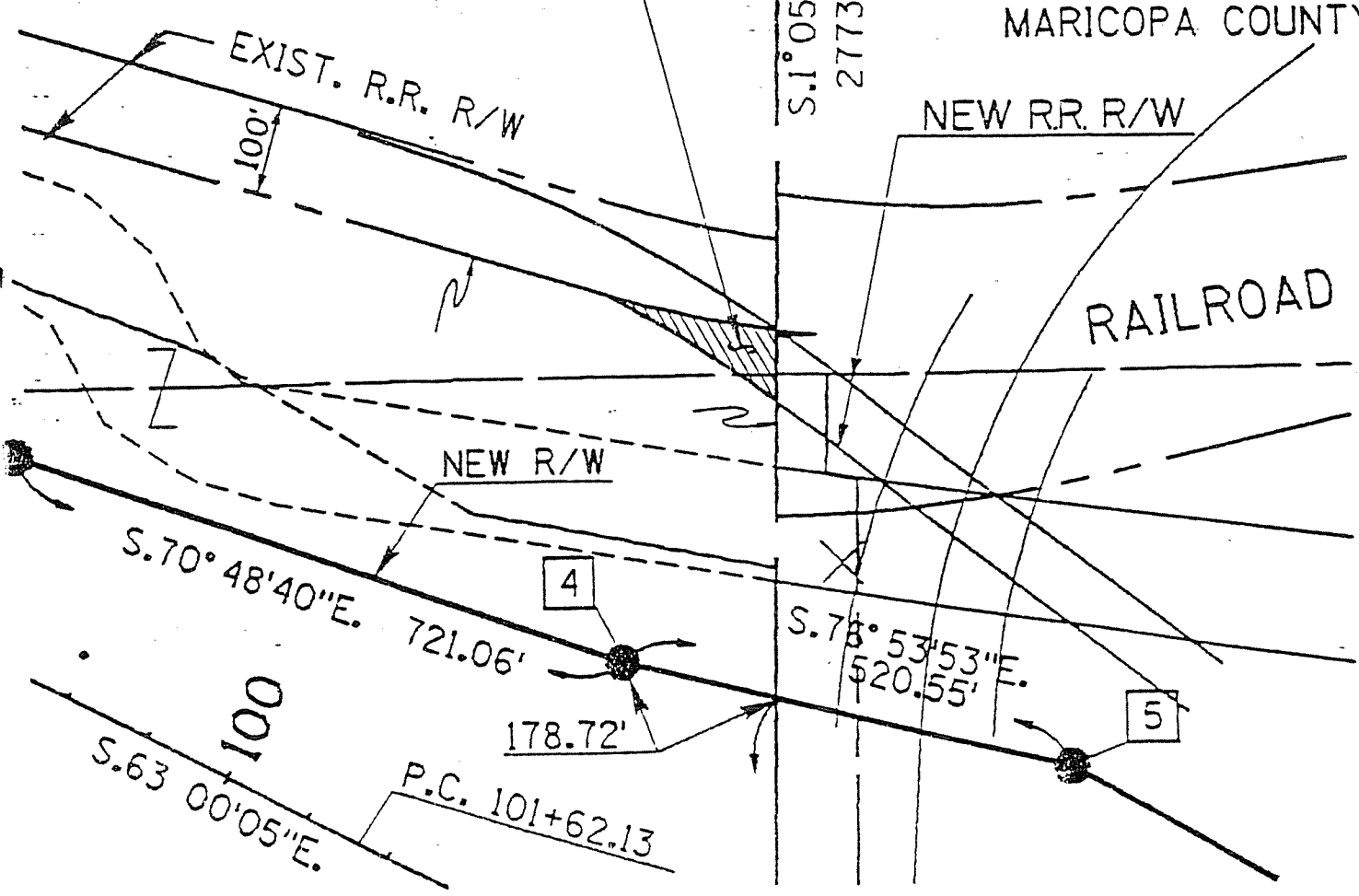
MID-SECTION LINE
1/4 COR.
FND. 1/2" REBAR



NE 1/4 SE 1/4

AREA TO BE CONVEYED
TO SRP

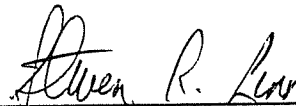
SCALE: 1" = 200'
MARICOPA COUNTY



DETERMINATION OF COUNSEL

The Intergovernmental Agreement between the State of Arizona, the Flood Control District of Maricopa County and Salt River Project Agricultural Improvement and Power District, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. §11-592, as amended, by the undersigned counsel who has determined that, as regarding the Salt River Project Agricultural Improvement and Power District, the Agreement is in proper form and that the Salt River Project Agricultural Improvement and Power District is authorized under the laws of the State of Arizona to enter into this Agreement.

Dated this 30th day of August, 1989.



Steven R. Linn
Senior Attorney

AGENDA INFORMATION FORM

Contract/Lease for ☒ NEW ☐ RENEWAL ☐ AMENDMENT ☐ CANCELLATION
(for existing record Encumbrance No. below)

LOW ORG. NO. 6900 DEPARTMENT: Flood Control District CONTROL NUMBER: FCD-1034

ENCUMBRANCE NO. _____ AGENCY: Public Works CONTROL NUMBER: PW-1034

1. BRIEF DESCRIPTION OF PROPOSAL AND REQUESTED BOARD ACTION: On April 17, 1989, the Board approved an Intergovernmental Agreement, IGA FCD-87051, with the Arizona Department of Transportation (ADOT) and the Salt River Project (SRP) regarding the Salt River Channel. The Agreement calls for ADOT to construct a channel in the Salt River between Mill Avenue and 40th Street and for the District to maintain this channel. Following signature by the District, a new attorney for the SRP insisted upon modifications to the relationship between ADOT and SRP that were stipulated in the Agreement. The modifications do not change the District's responsibilities and are acceptable to District staff.

The Clerk's records should note that IGA FCD-87051, FCD Agenda Item FCD-955, approved on April 17, 1989, is abrogated.

Please return an executed copy to
the Clerk of the Board of Supervisors.

2. Compliance with Maricopa County Procurement Code N/A N/A N/A
article paragraph Procurement Officer

3. CONTINUED FROM MEETING OF _____ **4. ☐ THIS DEPARTMENT WILL CAUSE PUBLICATION**
DISCUSSED IN MEETING OF _____ **☐ CLERK OF THE BOARD TO CAUSE PUBLICATION**

5. MOTION: It is moved that the Flood Control District of Maricopa County Board of Directors... approve and authorize the Chairman to sign IGA FCD-87051 with the Arizona Department of Transportation and the Salt River Project regarding the Salt River Channel Between 40th Street and Mill Avenue.

Please return an executed copy to
the Clerk of the Board of Supervisors.

6. FINANCIAL: ☐ Expenditure ☐ Revenue ☐ Budgeted ☐ Contingency ☐ Budget Amendment ☐ Transfer ☐ Grant or other
\$ N/A N/A Ray D. Smith 9-19-89
Total Fund Financial Officer Date

7. PERSONNEL: _____ **8. FLOOD CONTROL DISTRICT:** _____
Personnel Director Date Action Recommended by Date 9-14-89

9. MATERIALS MANAGEMENT: **10. LEGAL:** _____
A. Materials Management Director Date Approved as to form and within the powers and authority granted under the laws
B. W/MBE Representative Date of the state of Arizona to the Flood Control District of Maricopa County
General Counsel Date 9/15/89
Board of Directors.

11. INFORMATION SYSTEMS: **12. APPROVED FOR AGENDA:** _____
FISC Approving Official Date 9-18-89

13. OTHER: _____ **15. RECOMMENDATION OF COUNTY MANAGER:**
Signature Date ☐ Approve ☐ Disapprove
Comments:

14. BOARD OF DIRECTORS: Action taken: ☒ Approved ☐ Amended ☐ Disapproved ☐ Deleted
Continued to: _____
(Date and type of meeting) OCT 2 1989
Clerk of the Board Date

Attorney General

1275 WEST WASHINGTON

Phoenix, Arizona 85007

Robert R. Corbin

INTERGOVERNMENTAL AGREEMENT

DETERMINATION

A. G. Contract No. KR-89-0398-TRD, is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED this 6th day of October, 1989.

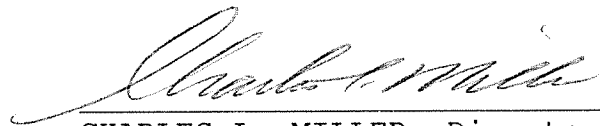
ROBERT K. CORBIN
Attorney General

Albert Morgan
Assistant Attorney General
Transportation Division

RESOLUTION

BE IT RESOLVED on this 4th day of January 1989, that I, CHARLES L. MILLER, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Highways Division, to enter into an agreement with the Flood Control District of Maricopa County and the Salt River Project Agricultural Improvement and Power District for the purpose of the channelization of the Salt River.

THEREFORE, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted for approval and execution by the Chief Deputy State Engineer.



CHARLES L. MILLER, Director
Arizona Department of
Transportation

1204j

88-07